

**SECRET**

SAPC 25853

Copy 3 of 7

APR 7 1958

Westinghouse Electric Corporation  
 Friendship International Airport  
 Baltimore 27, Maryland

Gentlemen:

I am forwarding you three (3) copies of a Fixed-Price-Open-Call Contract for your review and acceptance. The intent of this contract is to provide an instrument under which the F.O.G. group may order (1) equipment or parts for modification of equipment you previously furnished to them, (2) replenishment of spare parts, test equipment or ground handling equipment or (3) new components, technical data or other materials related to the equipment previously furnished.

It is intended that the following procedures be followed in utilizing this contract:

(a) Upon determination of a requirement generated by the F.O.G. using activity, F.O.G. depot or contractor proposed change to equipment which is approved by the F.O.G., [redacted] only, who are hereby designated as "representatives of the Contracting Officer" will forward a signed production list to the Contractor (sample attached to contract) enumerating the supplies or materials required. Two copies of the production list will be forwarded simultaneously to the Contracting Officer.

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(b) Immediately upon receipt of the Production List, Contractor will review it for any items which have been rendered obsolete by design changes and in lieu thereof insert the superseding or interchangeable item, if any, in the same or lesser quantities. Immediately upon acceptance of Production List or after corrections, if any, the Production List shall be an Approved Production List and the Contractor shall transmit six (6) copies of the Approved Production List, together with any pertinent information concerning the superseded items. Two (2) copies shall be sent to the Contracting Officer. Three (3) copies to the F.O.G. Depot [redacted] and one (1) copy to S. W. [redacted]

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(c) As soon as possible after receipt of the Production List, the Contractor shall prepare and submit to the Contracting Officer a Proposed Price Exhibit (sample attached to contract) numbered the same as the Approved Production List. This list will be prepared and submitted in accordance with that part of the contract entitled, "Procedure for Pricing". Upon receipt and approval by Contracting Officer, distribution will be made the same as for the contract.

(d) For purposes of establishing a pricing method under the contract, Contractor is requested to submit a proposal for a pricing formula which will be binding upon the Contractor for a period of six months or a year. Such proposed formula should be based upon Contractor agreeing to use the same formula in preparing the Priced Exhibits for the period of time proposed and the formula should contain the labor rates, overhead rates, G&A rates and profit rate the Contractor proposes to use. This proposal should be accompanied by whatever data Contractor deems pertinent in order that the Contracting Officer may determine the fairness and reasonableness of Contractor's proposal. Further negotiations on an oral basis with Contractor may be necessary.

PS/ [redacted] bas

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## Distribution:

- Orig. - Contractor - Westinghouse Elec. Corp.
2. - EQUINE 2 - HF-CT-694
3. - Proj. Finance
4. & 5. - [redacted]
6. - [redacted]
7. - Proj. Chrono (RI)

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(e) Notwithstanding the above, if the Contractor is satisfied with the terms of the contract, the contract should be returned signed and it will be implemented prior to formal establishment of the pricing formula for the first period. Contract No. HF-CT-69<sup>4</sup> is assigned to this instrument.

If the Contractor requires any additional information concerning the proposed contracts or their method of utilization, please contact the Contracting Officer immediately.

Very truly yours,



Contracting Officer

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